

Debt and the impact of the rising cost of living

Summary of engagement

27 February 2023

As part of the Equality and Social Justice Committee's follow-up work into debt and the impact of the rising cost of living, the Citizen Engagement Team proposed a qualitative approach to the engagement.

A series of six focus groups were arranged to gather the views of individuals with experience of debt and cost-of-living pressures, with a particular focus on parents; people from ethnic minority backgrounds; and people with disabilities and/or health issues.

Three face-to-face focus groups and three online focus groups took place between 1 February – 15 February 2023, involving a total of 46 participants.

Participants

Whilst the majority of participants shared their personal experience, a small number contributed in a professional capacity as staff working at organisations that support those with cost-of-living pressures.

Participant composition varied and included participants living in both urban and rural areas; single parent households; participants with disabilities and/or health issues; participants with children with additional needs and participants from ethnic minority backgrounds.

The employment status of participants also varied and involved participants with different employment contracts including full-time, part-time and zero-hour contracts; participants who were unemployed, participants with more than one job and participants in receipt of benefits.

Participants were sourced through a number of key stakeholders including ACE (Action in Caerau and Ely), Home-Start Cymru, Swansea Poverty Truth Commission and Women Connect First.

Format



The format of engagement was largely comparable between sessions, but varied slightly to meet the needs of participants and to accommodate late absences. Face-to-face focus groups took place at the host organisation's premises. One online focus group took place on Microsoft Teams, with two taking place on Zoom.

Discussion was paused on a number of occasions during more than one focus group to allow some participants who were upset, to compose themselves.

The following themes emerged from the discussions.

The current climate

"It's 100% worse. Even when we had that £66, it's like yeah it's great, we appreciate it, but it just doesn't go far."

Focus group participant.

Participants in all focus groups shared anecdotal accounts of managing cost-of-living pressures in the current climate. There was consensus amongst those who shared their views that current cost-of-living pressures are the worst they have experienced.

"Last year my mortgage was £468 and now it's £952, and due to go up again in the next few months. How can you afford to live? My car needed an MOT at end of last week. I had to ask my 19 year old son for £45. It made me feel absolutely awful."

Focus group participant.

A number of participants shared examples of the adjustments they are having to make in their daily lives to manage their bills. Many explained that "tightening the belt" was no longer possible and shared examples, some of which may be considered extreme, of saving money.

"A chap comes in a few times a year. He lives quite a chaotic life and hadn't had electric for six weeks. I thought, what have you been doing?! He lives in a block of flats and he had an arrangement with his mate that he could run an extension cable through the windows. And then he has other ones that run into his bedroom and kitchen. So it's overloaded. I helped him contact his supplier, and it took an hour to get hold of them."

Staff member at a community developed charity

Experiences shared by participants were often reflected in examples given by staff from the organisations hosting the focus groups. A staff member at Action in Caerau and Ely (ACE hereafter) explained that they have seen a significant increase in people accessing fuel support and their food pantry.

Fuel poverty

Being able to pay for electricity and heating was the biggest issue for most focus groups. The majority of contributors who discussed electricity and heating bills said that it could be confusing to understand their bill and were often startled by the amount they owed.

A number of participants also explained that they felt that energy companies were not helpful when they sought customer support. They elaborated that call handlers were not always knowledgeable about the options that may be available to customers who were finding it challenging to pay their bills.

“They’re just piling more stuff on us all the time. I’m on my own . . . and I haven’t worked since last July for health reasons. I’m on an Economy 7. So, I put my heating on at 6:50am, then get up at 7:00am to turn it off. All I use is the water and electric blankets. I’ve literally had layers on. I’ve even gone to my parents’ house for a couple of days.”

Focus group participant.

“I’ve just had my gas bill and I’m £600 down. I don’t know what I’ve done. They put my direct debit up from a £130 to £292. I’ve got to pay it for 3 months then see what happens. The smart meter wasn’t working. I’m hoping there’s been a mistake. It nearly gave me a heart attack.”

Focus group participant.

Food and nutrition

Aside from the difficulties many faced in paying for electricity and heating their home, the rising cost of food was often mentioned as a cost which many participants were finding increasingly challenging to manage.

“Towards the end of the month I usually won’t eat. I just make sure there’s enough until I get paid so that at least the kids can eat. Whatever scraps they don’t eat, I’ll eat so it doesn’t go in the bin.”

Focus group participant.

A number of participants discussed accessing food banks and/or similar provision for the first time, whilst others discussed using apps like ‘Too Good to Go’ to buy food at reduced prices. One participant, who was involved with managing a food pantry at a charitable organisation explained that he had witnessed a marked increase in the number of people wishing to access the pantry.

“I’m very conscious of where to go shopping. I’m constantly looking for deals and where’s the best place to shop. And now, I’m actually going to, which I’ve never done before, a place in Llanederyn. It’s £3 and I get 16 items. I’ve never done that before. I’m not proud, but I’ve got to do it.”

Focus group participant.

“We’ve seen a threefold increase (in the number of people wishing to access the food pantry). We’ve got a massive waiting list. There are people coming through the door needing food there and then. We’re open two days a week, so over those two days we’re seeing about 70 people, but we’ve got another 60 on the waiting list.”

Focus group participant.

A number of participants, predominantly from ethnic minority backgrounds, explained that whilst they were appreciative of food bank provision, the food items available were often not religiously or culturally appropriate. Some participants with dietary needs also explained that provision was often limited which meant that they would go without.

“In terms of foodbanks, some people face cultural barriers and self and social stigmas to access these kind services, even if they are struggling to provide food for their families. Therefore, some parents are having to go by without eating enough and/or nutritional food to be able to feed their children.”

Focus group participant.

A number of parents participating in the focus groups with children who were described as neurodivergent, explained that sourcing appropriate food items which were affordable, was an added challenge.

“Two children don’t eat the same as the rest of the household. Because of their specific needs, where I can shop is limited. I have to be really specific about what I’m buying in.”

Focus group participant.

Wellbeing

“What else do you want from us? At what point do you just give up. We’re not living, we’re just existing.”

Focus group participant.

Discussion on the challenges associated with the rising cost-of-living was often interlinked with discussion on the mental and physical well-being of contributors.

The ramifications of rising costs on mental health in particular, was a theme which permeated much of the discussion across all focus groups. In addition to sharing their insight on the impact rising costs were having on their mental health, this was also often conveyed through non-verbal communication. A number of participants became upset during discussions and needed to leave the room, whilst discussion was paused on occasion to allow others to compose themselves.

“I’m stressed. I’m crying. I’m thinking how I’m going to feed my kids. How am I going to bath them? School? It’s really bad. I’m working for nothing basically, because it all goes on my gas and electric.”

Focus group participant.

“We’re all on anti-depressants. We’ve all had to go to the doctors. I have an appointment on Friday for me to go back on my meds, because the last couple of weeks, I’ve just gone downhill. It’s just trying to find a way out of the situation we’ve been put in.”

Focus group participant.

Some participants with disabilities and/or health issues shared the additional pressures experienced when trying to pay their bills and manage their condition.

"I have fibromyalgia and need to have one or two baths a week to help with the pain. My electricity bill has started coming in really high, and it's just me and my young child and we're rarely at home. My gas is on a high tariff which they won't change. The fear around costs increasing has caused me to stop having my baths. My fibromyalgia has been really bad the last few weeks, which makes it difficult to do daily activities and deliver at work."

Focus group participant.

"I'm on dialysis. I did try and do hemodialysis at home, but I got stressed about massive electric and water bills. The only money I got was £89 a month from the NHS. I asked whether that could be increased but they said no. I had to return all the equipment and go back to the renal unit. The problem in Wales is that you can only go there in the day, so I've had to cut back on my working hours."

Focus group participant.

Support

Contributors discussed accessing a wide gamut of support initiatives to help alleviate the pressures associated with the rising cost-of-living. Support accessed may be described as formal (Welsh Government and UK Government support) and informal (borrowing money from family and/or friends on an ad hoc basis).

When discussing the support available, contributors did not often distinguish between Welsh and UK Government support schemes and initiatives. Indeed, it was often difficult to determine which scheme or initiative was being referred to, as there was often confusion from participants regarding the name, application and eligibility criteria.

The Discretionary Assistance Fund (DAF hereafter) was an initiative which was raised by participants during most focus groups. Some contributors who had

accessed DAF explained that whilst the process for accessing it was straightforward, its application was too narrow.

"I've had about three or four of them. I'm on pre-paid and obviously you're only allowed three a year. I've only got £3 left in my gas emergency. So I haven't been able to put it on all day yesterday, because I need to keep it to be able to bathe them (her children) . . . I'll turn it on for five to ten minutes, just to heat the flat up a little bit, but then I've got to turn it straight back off."

Focus group participant.

"I applied for DAF the other day, but they told me I can't get one because apparently I've had too many."

Focus group participant.

Some contributors discussed accessing ad hoc support from a variety of sources and in particular, explained the shame they faced having to ask family members for financial help.

"I've had to get help off my boss, so that comes out of my wages every month . . . It's usually to help to get through Christmas or birthdays. How do you say we can't do Christmas this year?"

Focus group participant.

"A lot resort to the bank of family and friends. With all these charitable organisations, there's too many questions. There's credit checks, or if you've been in debt in the past or missed a payment, they're not going to give you support."

Focus group participant.

"I had to lend money from my brother, and I'm already stressing. I needed it to cook my children's food. So when I get paid, that's a big lump out of my wages that I need to pay back to him. It's horrible."

Focus group participant.

The level of awareness amongst participants of the various schemes designed to support those with cost-of-living pressures varied. Most participants relied on word of

mouth in order to find out about the initiatives available. Some groups discussed ways of increasing awareness amongst the general public.

“Most information is only available online. We need more localised information, like information available in GP surgeries. The government should also make better use of community groups as there’s a greater level of trust in community groups compared to government.”

Focus group participant.

“If the Welsh Government had some sort of app that people could access on their phones that would give a varying degree of what sort of grants or financial help or support was available, with different contacts for places like Crisis, Shelter and Citizens Advice. Buzz words on how to fill in certain forms. It can be a quagmire of information and hard to get things right.”

Focus group participant.

The future

“I try not to think about the coming months. Especially how bad people’s mental health is going to be. I turned to my friend the other day and said I can’t do it anymore.”

Focus group participant.

There was a palpable sense of apprehension amongst focus group contributors when discussing the future and in particular, how many will cope as a number of bills are set to rise in April. Participants were predominantly concerned about the rising cost of gas and electricity, with one participant describing feeling “hopeless.”

“The situation has worsened. The bills have gone up. I’m not using my electric much. I’m thinking it’s going up in April, so all I’m thinking is about the amount that will be going out – it’s money I haven’t got. My health means that I do need to keep warm to a degree. I have two cats, one of them got ill and a friend had to pay a £300 bill because I couldn’t afford it. So I have that bill going out and at one point I

couldn't pay my rent, so my sister paid part of it. . . I didn't want to be in this position and I'm trying to get myself out. I've been in debt and I've got myself out of it, but I've got myself into the spiral again. I'm just thinking of the stuff that's going to be costing more – the food and the electric. How am I going to cope?

Focus group participant.

Parents participating in the focus groups discussed the long-term impact on their children and in particular, fears for whether their children will ever be able to live independently.

"I can't see my kids leaving home. I have a 17 year old who said she's not leaving home because she can see me struggling. Do we want them to move out and see them struggling in the same way we are?"

Focus group participant.